

AFTER RECORDING MAIL TO:



201610270046

Skagit County Auditor

\$74.00

10/27/2016 Page

1 of

2 1:52PM

Name Heritage Bank

Address PO BOX 1578

City, State, Zip Olympia WA 98507 Attn: Loan Operations

Loan No. _____

Land Title and Escrow

#155843-
SAZ

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

The undersigned subordinator and owner agree as follows:

1. Heritage Bank referred to herein as "subordinator," is the owner and holder of a Deed of Trust dated March 7, 2014, which is recorded under auditor's file No. 201403070097, records of Skagit County.
2. Heritage Bank, referred to herein as "lender," is the owner and holder of a Deed of Trust dated October 12, 2016, executed by Michael Baldwin and Karin Baldwin, husband and wife, which is recorded under auditor's file No. 201610270045, records of Skagit County (which is to be recorded concurrently herewith).
3. Michael Baldwin and Karin Baldwin, referred to herein as "owner," is the owner of all the real property described in the Deed of Trust identified above in Paragraph 2.
4. In consideration of benefits to "subordinator" from "owner," receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.
5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.
7. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the lien or charge of the mortgage in favor of "lender" above referred to and shall supersede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.
8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust," and gender and number of pronouns considered to conform to undersigned.

Executed this 12th day of October, 2016

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH HIS/HER/THEIR ATTORNEYS WITH RESPECT THERETO.

By Krista Oicles
Heritage Bank
Krista Oicles, Commercial Loan Officer II

By Michael Baldwin
Michael Baldwin, Owner

By Karin Baldwin
Karin Baldwin, Owner

NOTARY PUBLIC
STATE OF WASHINGTON
JULIA G. KLINGMAN
My Appointment Expires
JANUARY 19, 2020

STATE OF WASHINGTON)
COUNTY OF SKAGIT)-ss

I certify that I know or have satisfactory evidence that Krista M Oicles is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Vice President of Heritage Bank to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: October 25, 2016

Julia G Klingman
Notary Public in and for the state of Washington
My appointment expires: 1/19/2020

STATE OF WA)
COUNTY OF Skagit)-ss

I certify that I know or have satisfactory evidence that Michael Baldwin & Karin Baldwin (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 10-26-16

[Signature]
Notary Public in and for the state of
My appointment expires: 5-15-19

